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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/811,711	03/19/2001	Mustafa Erhan Say	517.1001	9478
7590	04/07/2004		EXAMINER	
Cary S. Kappel 14th Floor 485 Seventh Avenue New York, NY 10018			FISCHER, ANDREW J	
			ART UNIT	PAPER NUMBER
			3627	

DATE MAILED: 04/07/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	<b>Application No.</b>	<b>Applicant(s)</b>	
	09/811,711	SAY, MUSTAFA ERHAN <i>M.E.</i>	
	<b>Examiner</b>	<b>Art Unit</b>	
	Andrew J. Fischer	3627	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

#### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

1) Responsive to communication(s) filed on 13 February 2004.

2a) This action is FINAL.                    2b) This action is non-final.

3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

4) Claim(s) 1-11 is/are pending in the application.

4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.

5) Claim(s) \_\_\_\_\_ is/are allowed.

6) Claim(s) 1-11 is/are rejected.

7) Claim(s) \_\_\_\_\_ is/are objected to.

8) Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

9) The specification is objected to by the Examiner.

10) The drawing(s) filed on \_\_\_\_\_ is/are: a) accepted or b) objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).  
11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. § 119

12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a) All    b) Some \* c) None of:  
 1. Certified copies of the priority documents have been received.  
 2. Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

#### Attachment(s)

1) Notice of References Cited (PTO-892)  
 2) Notice of Draftsperson's Patent Drawing Review (PTO-948)  
 3) Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date 5.

4) Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_.  
 5) Notice of Informal Patent Application (PTO-152)  
 6) Other: \_\_\_\_\_.

## DETAILED ACTION

### *Acknowledgements*

1. Applicant's amendment filed February 13, 2004 (Paper No. 7) is acknowledged.

Accordingly, claims 1-11 remain pending.

2. Applicant's election without traverse of Group I (claims 1-11) in Paper No. 7 is acknowledged. However, because Applicant has cancelled claims 12-20, a restriction is no longer needed in this application. The previous restriction as set forth in Paper No. 6 is hereby withdrawn. Should Applicant at any time amend this application to include claims drawn to an additional independent or distinct invention, a restriction at that time will most likely follow.

3. This Office Action is written in OACS. Because of this, the Examiner is unable to control formatting, paragraph numbering, font, spelling, line spacing, and/or other word processing issues. The Examiner sincerely apologizes for these errors.

### *Claim Rejections - 35 USC §101*

4. 35 U.S.C. §101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

5. Claims 7-11 are rejected under 35 U.S.C. §101 because the claimed invention is directed to non-statutory subject matter. The basis of this rejection is set forth in a two-prong test of:

(1) whether the invention is within the technological arts; and  
(2) whether the invention produces a useful, concrete, and tangible result.

6. For a claimed invention to be statutory, the claimed invention must be within the technological arts. *In re Musgrave*, 167 USPQ 280, 289-90 (CCPA 1970); and *In re Johnston*,

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183 USPQ 172, 177 (CCPA 1974). Mere abstract ideas (*i.e.*, laws of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the “progress of science and the useful arts”<sup>1</sup> and are therefore non-statutory subject matter.<sup>2</sup>

For a process, the claimed process must somehow apply, involve, use, or advance the technological arts. Mere intended or nominal use of a component—albeit within the technological arts—does not confer statutory subject matter to an otherwise abstract idea if the component does not apply, involve, use, or advance the underlying process. In other words, if the invention in the body of the claim is not tied to a technological art, environment, or machine, the claim is non-statutory. *Ex parte Bowman*, 61 USPQ2d 1665, 1671 (B.P.A.I. 2001) (Unpublished). See also MPEP §2106 IV B. 2 (b) ii). The Examiner recommends (by way of example only) recitation of a computer within the body of the claim if the specification supports such an amendment.

***Claim Rejections - 35 USC §112 2<sup>nd</sup> Paragraph***

7. The following is a quotation of the 2<sup>nd</sup> paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

8. Claims 1-11 are rejected under 35 U.S.C. §112, 2<sup>nd</sup> paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The claims are replete with errors. Some examples follow.

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<sup>1</sup> It is the Examiner’s position that “technological arts” is synonymous with “useful arts” as stated in the U.S. Constitution, Art. I, §8. See *In re Waldbaum*, 173 USPQ 430, 434 (C.C.P.A. 1972).

<sup>2</sup> E.g., the physical sciences: statutory; c.f., social sciences: non-statutory

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- a. In claim 1, Applicant claims “initiating a seller auction” and “initiating a buyer auction . . .” These are mutually exclusive steps making the scope of the claim exceedingly unclear.
- b. In claim 7, the phrase “designating, in turn, each one of bidders of the final bidders set as the select bidder” is unclear. In particular, it is unclear if each bidder of the final bidders set *must* be a select bidder at least once, or alternatively, the first such select bidder could terminate the bidding as claimed.
- c. Also in claim 7, it is unclear who receives the “receiving one of an agreement . . . ”

***Claim Rejections - 35 USC §103***

9. The following is a quotation of 35 U.S.C. §103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

10. Claims 1-11, as understood by the Examiner, are rejected under 35 U.S.C. §103(a) as being unpatentable over Fisher et. al. (U.S. 5,835,896)(“Fisher”) in view of Sheehan et. al. (U.S. 2001/0049647 A1)(“Sheehan”). Fisher discloses the claimed invention including initiating and concluding the auction. Fisher does not directly disclose a second or final round of bidding to form a final bidders set. Sheehan teaches the use of a final bidders set (i.e. various auction rounds).

Therefore, it would have been obvious to a person having ordinary skill in the art at the time the invention was made to modify Fisher as taught by Sheehan to include a final bidders set. Such a modification would have allowed goods and services to find a quick and ready market by focusing on buyers who are more than casual visitors.

Moreover, the Examiner takes Official Notice that online auctions have alternative payments (e.g. VISA or PayPal); and alternative shipment forms (e.g. UPS, U.S. Postal Service, or FedEx). Such features are inherent in online auctions. If not inherent, it also would have been obvious to a person having ordinary skill in the art at the time the invention was made to modify the Fisher/Sheehan combination to include alternative payments and shipment terms. Such a modification would have provided better customer service by allowing the buyer to choose the payment and shipment methods that they desire.

11. After careful review of the specification, the Examiner is unaware of any desire—either expressly or implicitly—by Applicant to be his own lexicographer and to define a claim term to have a meaning other than its ordinary and accustomed meaning. Therefore, the Examiner starts with the heavy presumption that all claim limitations are given their ordinary and accustomed meaning. See *Bell Atlantic Network Services Inc. v. Covad Communications Group Inc.*, 262 F.3d 1258, 1268, 59 USPQ2d 1865, 1870 (Fed. Cir. 2001) (“[T]here is a heavy presumption in favor of the ordinary meaning of claim language as understood by one of ordinary skill in the art.”); *CCS Fitness Inc. v. Brunswick Corp.*, 288 F.3d 1359, 1366, 62 USPQ2d 1658, 1662 (Fed. Cir. 2002) (There is a “heavy presumption that a claim term carries its ordinary and customary

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meaning.”). See also MPEP 2111.01 and *In re Zletz*, 893 F.2d 319, 321, 13 USPQ2d 1320, 1322 (Fed. Cir. 1989).<sup>3</sup>

In accordance with the ordinary and accustomed meaning presumption, during examination the claims are interpreted with their “broadest reasonable interpretation . . . .” *In re Morris*, 127 F.3d 1048, 1054, 44 USPQ2d 1023, 1027 (Fed. Cir. 1997). See also MPEP 2111.

However, if Applicant disagrees with the Examiner and has either (a) already used lexicography or (b) wishes to use lexicography and therefore (under either (a) or (b)) desires a claim limitation to have a meaning other than its ordinary and accustomed meaning, the Examiner respectfully requests Applicant in his next response to expressly indicate<sup>4</sup> the claim limitation at issue and to show where in the specification or prosecution history the limitation is defined. Such definitions must be clearly stated in the specification or file history. *Bell Atlantic*, 262 F.3d at 1268, 59 USPQ2d at 1870, (“[I]n redefining the meaning of particular claim terms away from the ordinary meaning, the intrinsic evidence must ‘clearly set forth’ or ‘clearly

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<sup>3</sup> It is the Examiner’s position that “plain meaning” and “ordinary and accustomed meaning” are synonymous. See e.g. *Rexnord Corp. v. Laitram Corp.*, 274 F.3d 1336, 1342, 60 USPQ2d 1851, 1854 (Fed. Cir. 2001) (“[A]ll terms in a patent claim are to be given their plain, ordinary and accustomed meaning . . . ”).

<sup>4</sup> “Absent an *express intent* to impart a novel meaning, terms in a claim are to be given their ordinary and accustomed meaning. [Emphasis added.]” *Wenger Manufacturing Inc. v. Coating Mach. Sys., Inc.*, 239 F.3d 1225, 1232, 57 USPQ2d 1679, 1684 (Fed. Cir. 2001) (citations and quotations omitted). “In the absence of an *express intent* to impart a novel meaning to claim terms, an inventor’s claim terms take on their ordinary meaning. We indulge a heavy presumption that a claim term carries its ordinary and customary meaning. [Emphasis added.]” *Teleflex Inc. v. Ficosa North America Corp.*, 299 F.3d 1313, 1325, 63 USPQ2d 1374, 1380 (Fed. Cir. 2002) (citations and quotations omitted).

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redefine' a claim term so as to put one reasonably skilled in the art on notice that the patentee intended to so redefine the claim term").<sup>5</sup> The Examiner cautions that no new matter is allowed.

Applicant is reminded that failure by Applicant in his next response to properly traverse this issue in accordance with 37 C.F.R §1.111(b) or to be non-responsive to this issue entirely will be considered a desire by Applicant to forgo lexicography in this application and to continue having the claims interpreted with their broadest reasonable interpretation.<sup>6</sup> Additionally, it is the Examiner's position that the above requirements are reasonable.<sup>7</sup> Unless expressly noted otherwise by the Examiner, the preceding discussion on claim interpretation principles applies to all examined claims currently pending.

12. To the extent that the Examiner's interpretations are in dispute with Applicants' interpretations, the Examiner hereby adopts the following definitions—under the broadest

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<sup>5</sup> See also *Vitronics Corp. v. Conceptronic, Inc.*, 90 F.3d 1576, 1582, 39 USPQ2d 1573, 1576 (Fed. Cir. 1996), ("[A] patentee may choose to be his own lexicographer and use terms in a manner other than their ordinary meaning, *as long as* the special definition of the term is *clearly stated* in the patent specification or file history. [Emphasis added.]"); *Multiform Desiccants Inc. v. Medzam Ltd.*, 133 F.3d 1473, 1477, 45 USPQ2d 1429, 1432 (Fed. Cir. 1998) ("Such special meaning, however, must be sufficiently clear in the specification that any departure from common usage would be so understood by a person of experience in the field of the invention."). See also MPEP §2111.01, subsection titled "Applicant May Be Own Lexicographer" and MPEP §2173.05(a) titled "New Terminology."

<sup>6</sup> See 37 C.F.R. §1.104(c)(3) which states in part: "the examiner may rely upon admissions by applicant . . . as to *any matter* affecting patentability . . . [Emphasis added.]"

<sup>7</sup> The Examiner's requirements on this matter are reasonable on at least two separate and independent grounds. First, the Examiner's requirements are simply an express request for clarification of how Applicants intend their claims to be interpreted so that lexicography (or even an *attempt* at lexicography) by Applicants is not inadvertently overlooked by the Examiner. Second, the requirements are reasonable in view of the USPTO's goals of compact prosecution, productivity with particular emphasis on reductions in both pendency and cycle time, and other goals as outlined in the USPTO's The 21<sup>st</sup> Century Strategic Plan, February 3, 2003 available at [www.uspto.gov/web/offices/com/strat21/index.htm](http://www.uspto.gov/web/offices/com/strat21/index.htm) (last accessed March 28, 2004).

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reasonable interpretation standard—in all his claim interpretations.<sup>8</sup> Moreover, while the following list is provided in accordance with *In re Morris*, the definitions are a guide to claim terminology since claim terms must be interpreted in context of the surrounding claim language.<sup>9</sup> Finally, the following list is not intended to be exhaustive in any way:

- i. **Product** “2 a : something produced” Merriam-Webster’s Collegiate Dictionary, 10<sup>th</sup> Edition, Merriam-Webster Inc., Springfield, M.A., 1997.

13. Functional recitation(s) using the word “for” or other functional terms (e.g. “for auctioning products ore services” as recited in claim 1) have been considered but given less patentable weight<sup>10</sup> because they fail to add any steps and are thereby regarded as intended use language. A recitation of the intended use of the claimed invention must result in additional steps. See *Bristol-Myers Squibb Co. v. Ben Venue Laboratories, Inc.*, 246 F.3d 1368, 1375-76, 58 USPQ2d 1508, 1513 (Fed. Cir. 2001) (Where the language in a method claim states only a purpose and intended result, the expression does not result in a manipulative difference in the steps of the claim.).

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<sup>8</sup> While most definition(s) are cited because these terms are found in the claims, the Examiner may have provided additional definition(s) to help interpret words, phrases, or concepts found in the definitions themselves or in the prior art.

<sup>9</sup> See e.g. *Brookhill-Wilk I LLC v. Intuitive Surgical Inc.*, 334 F.3d 1294, 1300, 67 USPQ2d 1132, 1137 (Fed. Cir. 2003) (abstract dictionary definitions are not alone determinative; “resort must always be made to the surrounding text of the claims in question”).

<sup>10</sup> See e.g. *In re Gulack*, 703 F.2d 1381, 217 USPQ 401, 404 (Fed. Cir. 1983)(stating that although all limitations must be considered, not all limitations are entitled to patentable weight).

### ***Conclusion***

14. The following references are considered pertinent to Applicant's disclosure: Anderson et. al. (U.S. 6,671,674 B1); Alaia et. al. (U.S. 6,408,283 B1); and Feinberg (U.S. 6,366,891 B1).

15. The following two (2) citations to the Manual of Patent Examining Procedure ("MPEP") apply to this Office Action: MPEP citations to Chapters 200, 700, 1800, and 2100 are from the MPEP 8<sup>th</sup> Edition, Rev 1, February 2003. All remaining MPEP citations are from MPEP 8<sup>th</sup> Edition, August 2001.

16. In accordance with *In re Lee*, 277 F.3d 1338, 1344-45, 61 USPQ2d 1430, 1434-35 (Fed. Cir. 2002), the Examiner finds that the references How Computers Work Millennium Ed. by Ron White; How Networks Work, Millennium Ed. by Frank J. Derfler et. al.; and How the Internet Works, Millennium Ed. by Preston Gralla are additional evidence of what is basic knowledge or common sense to one of ordinary skill in this art. Each reference is cited in its entirety. Moreover, because these three references are directed towards beginners (see e.g. "User Level Beginning . . ."), because of the references' basic content (which is self-evident upon review of the references), and after further review of the entire application and all the art now of record in conjunction with the factors as discussed in MPEP §2141.03 (where practical), the Examiner finds that these three references are primarily directed towards those of low skill in this art. Because these three references are directed towards those of low skill in this art, the Examiner finds that one of ordinary skill in this art must—at the very least—be aware of and understand the knowledge and information contained within these three references.

17. In accordance with the USPTO's goals of customer service, compact prosecution, and reduction of cycle time, the Examiner has made every effort to clarify his position regarding

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claim interpretation and any rejections or objections in this application. Furthermore, the Examiner has provided Applicant with notice—for due process purposes—of his position regarding his factual determinations and legal conclusions. If Applicant disagrees with any factual determination or legal conclusion made by the Examiner in this Office Action whether expressly stated or implied,<sup>11</sup> the Examiner respectfully reminds Applicant to properly traverse the Examiner's position(s) in accordance with 37 C.F.R. §1.111(b) in his next response. By addressing these issues now, matters where the Examiner and Applicant agree can be eliminated allowing the Examiner and Applicant to focus on areas of disagreement (if any) with the goal towards allowance in the shortest possible time. If Applicant has any questions regarding the Examiner's positions or has other questions regarding this communication or even previous communications, Applicant is strongly encouraged to contact Examiner Andrew J. Fischer whose telephone number is (703) 305-0292. If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's immediate supervisor, Robert Olszewski, can be reached at (703) 308-5183. To respond to this Office Action by facsimile, fax to (703) 872-9306.



Andrew J. Fischer  
Patent Examiner  
Art Unit 3627

AJF  
March 28, 2004

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<sup>11</sup> E.g., if the Examiner rejected a claim under §103 with two references, although not directly stated, it is the Examiner's implied position that the references are analogous art.